

**BETHLEHEM AUTHORITY
BETHLEHEM, PA**

MINUTES OF REGULAR MEETING

JULY 12, 2006

The regular meeting of the Board of Directors of the Bethlehem Authority was held on July 12, 2006, in Conference Room B504, City Administration Building, 10 E. Church Street, Bethlehem, PA. The meeting was called to order at 3:00 PM by Chairman Richard Master, with the following in attendance:

BETHLEHEM AUTHORITY

James L. Broughal, Solicitor
David T. DiGiacinto, Vice Chairman
Mark P. Jobes, Assistant Secretary/Treasurer (Late Arrival)
Michael Keyock, Treasurer (Late Arrival)
Richard L. Master, Chairman
Daniel L. Meixell, Special Police Officer
Stephen Repasch, Executive Director
Sandra L. Reppert, Executive Assistant
John J. Tallarico, Jr., Secretary

CITY OF BETHLEHEM

Jean Belinski, Councilwoman
David Brong, Director of Water and Sewer Resources
Karen Dolan, Councilwoman
Magdalena Szabo, Councilwoman

THE BETHLEHEM PRESS

Greg Rogers

THE EXPRESS TIMES

Kurt Bresswein

THE MORNING CALL

Nicole Radzievich

On a motion by Mr. DiGiacinto and seconded by Mr. Tallarico, the minutes from the June 8, 2006, meeting were approved unanimously by voice vote.

COURTESY OF THE FLOOR AND RECOGNITION OF VISITORS

Mr. Master recognized Mr. Dana Grubb, Bethlehem resident; Councilwoman Karen Dolan; Councilwoman Jean Belinski; Dr. David McGuire, representing the Lehigh Valley Sierra Club; Mr. Chiu Cheng, Moravian College student; Mr. Mark Hilton, Coldwell Banker Phyllis Rubin Real Estate Agent, Stroudsburg, PA; Mr. David Brong, City of Bethlehem; Mr. Bud Cook, The Nature Conservancy, Long Pond, PA; Councilwoman Magdalena Szabo; members of the press.

REPORT OF THE CHAIRMAN

Mr. Master thanked Mr. Repasch, Mr. Tallarico, and Mr. Jeff Andrews of the City of Bethlehem for their participation in visiting the Great Valley Stream area in Downingtown, PA, an Exceptional Value rated stream and watershed.

REPORT OF THE VICE CHAIRMAN

Nothing to report.

REPORT OF THE CONTROLLER

Mr. McDonald's report for the month ended June 30, 2006, as filed in the Board book, was accepted without comment.

REPORT OF THE SOLICITOR

Nothing to report.

REPORT OF THE CONSULTING ENGINEER

Schoor DePalma's report for the period June 1 to July 5, 2006, as filed in the Board book, was accepted without comment.

REPORT OF THE BETHLEHEM AUTHORITY SPECIAL POLICE

Officer Meixell's report for the period June-July, 2006, as filed in the Board book, was accepted without comment.

REPORT OF THE DIRECTOR OF WATER AND SEWER RESOURCES, CITY OF BETHLEHEM

Mr. Brong reported at June 30, 2006, the balance in the water fund is ~\$3.0 million. This amount is better than projected at this point in time.

WATER REPORT

The water report, as filed in the Board book, was accepted without comment. For the record, there was almost 15 inches of rain in the month of June, 2006 (versus 3 inches in June, 2005), the reservoirs are slightly above capacity, and there is ~16.54MGD of water being treated at the filtration plant.

APPROVAL OF BILLS

Mr. Master presented Resolution 267, Approval of Bills, to the Board for consideration and approval.

On a motion by Mr. DiGiacinto and seconded by Mr. Tallarico, Resolution 267 was approved unanimously by voice vote.

OLD BUSINESS

Tunkhannock Creek DEP Redesignation Update. Representatives from the Authority and the City of Bethlehem visited the Great Valley Corporate Center in Downingtown, PA, located in the Exceptional Value (EV) rated Great Valley Stream watershed. There is significant corporate development, as well as upscale residential development. Sewage treatment discharge is served by spray irrigation. The Authority will investigate the valuation of properties in other EV areas to determine if an EV rating will or will not enhance the value of the Authority's watershed property. The Board expects to have its recommendation to City Council in another month or two.

Councilwoman Dolan questioned the Authority's December 8, 2005, letter to Secretary McGinty of PA DEP which states the Authority's and the City's opposition to the petition. Mr. DiGiacinto indicated initially the Board was lacking knowledge and information on the significance of this issue (there also were other opponents of the petition who have since changed their position and now support it). The focus of the June 8th Board meeting was to address all the issues. The Board now has the information on which to better evaluate the situation. Mr. DiGiacinto's thank you letter of June 19th clearly explains this (attached to and made a part of these minutes).

Mr. DiGiacinto suggested looking into securing the right of first offer (by written agreement) to supply water to the fast growing townships and municipalities near the watershed. This would not include a commitment by the City to build additional filtration capacity or reservoir space, but merely a "look ahead" in case the water needs in that region become such that our watershed is the best (primary) source.

Councilwoman Szabo requested the Authority to send a letter to Secretary McGinty of PA DEP stating that the Authority is reconsidering its position on the Tunkhannock Creek EV Petition.

Dr. McGuire remarked on the positive impact of the June 8th meeting and Mr. DiGiacinto's thank you letter.

Agreement of Sale with Lehigh County for Salisbury Township Land Update. Mr. Repasch reported the physical survey is complete, which indicates 123+/- acres of land. Water line and reserve easements need to be mapped and included in the deed. Once these documents are complete, he will work with Lehigh County toward a settlement date.

Mt. Pocahontas Property Real Estate Listing Agreement. Mr. Repasch presented the listing agreement with Coldwell Banker Phyllis Rubin Real Estate to sell 12.93 acres of land at a listing price of \$225,000.00 (the land is adjacent to the Mt. Pocahontas housing development in Penn Forest Township, is outside of the watershed, has been subject to encroachment issues, and is of no value to the Authority). Mr. Broughal reviewed the listing agreement and recommended the removal of item 11B. The change was agreed to by the listing agent, Mr. Mark Hilton.

A motion by Mr. DiGiacinto to approve the listing agreement with Coldwell Banker Phyllis Rubin Real Estate to sell 12.93 acres of land at a listing price of \$225,000.00, with the noted change initialed, and to authorize the Chairman and Secretary to sign the listing agreement was seconded by Mr. Jobes and approved unanimously by voice vote.

Budget Review and Outlook. Mr. Master reviewed the Authority's expense budget for the six months ended June 30th. Expenses for the prior year 2005 that were paid in 2006 were extracted to reflect the actual 2006 expenses. Most of the budget over-runs are in Professional Services. The Authority needs to rethink its activities going forward, especially in forestry, engineering, and financial advisory services. Mr. Repasch will work with the Board, and professionals, in the next two months to initiate the 2007 budget projections. Mr. Keyock volunteered to work with Mr. Repasch on the forestry issues.

NEW BUSINESS

Emergency Evacuation Plan for Penn Forest and Wild Creek Dams. The Emergency Evacuation Plan is a PA DEP requirement for all dam owners and was developed by the City of Bethlehem. The DEP has accepted and approved the plan. The Authority, as owner of the dams, must approve the plan before it goes to the City for final approval.

A motion by Mr. DiGiacinto to approve the Emergency Evacuation Plan for Penn Forest and Wild Creek Dams and authorize the Chairman to sign the plan was seconded by Mr. Keyock and approved unanimously by voice vote.

Ratification of National Penn Bank CD Rollover. The Jumbo Flex NOW CD with National Penn Bank in the amount of \$196,349.63 matured on July 1, 2006. The Board previously authorized to rollover this CD for a period of three months at an interest rate of 5.14%.

A motion by Mr. DiGiacinto to rollover the Jumbo Flex NOW CD with National Penn Bank in the amount of \$196,349.63 for three months with an interest rate of 5.14% was seconded by Mr. Jobes and approved unanimously by voice vote.

An authorization document drafted by National Penn Bank was presented to the Board for consideration. It would allow a designated person(s) to authorize the movement of money within National Penn Bank accounts. Mr. Broughal has reviewed the letter and it meets his approval.

A motion by Mr. Keyock to designate the Executive Director and Executive Assistant as authorized representatives of the Bethlehem Authority to move money within National Penn Bank accounts as stated in the document was seconded by Mr. DiGiacinto and approved unanimously by voice vote.

Designation of Voting Delegates to the PMAA. Mr. Repasch feels it is valuable for the Authority to vote on the legislative issues that could affect how authorities operate.

A motion by Mr. DiGiacinto to designate Mr. Stephen Repasch as the voting delegate to the PMAA was seconded by Mr. Keyock and approved unanimously by voice vote.

Mr. Repasch added there should be an alternate delegate and felt a staff member from the City's Water Department would be appropriate.

A motion by Mr. Keyock to add a City of Bethlehem staff member as an alternate voting delegate to the PMAA was seconded by Mr. DiGiacinto and approved unanimously by voice vote.

PMAA Annual Conference, September 10-13, 2006. Mr. Repasch informed the Board of the PMAA Annual Conference in Hershey, PA. He would like to attend the sessions scheduled for September 12th that deal with regional water service.

COURTESY OF THE FLOOR.

Mr. Mark Hilton expressed that the EV status of the Tunkhannock Creek would increase the value of the Authority's watershed land. The demand in the Poconos is for land that is spread out and of exceptional value. The Board requested Mr. Hilton to provide the Authority with supporting data and a letter as it pertains to this subject.

ADJOURNMENT

On a motion by Mr. DiGiacinto, seconded by Mr. Keyock, and approved unanimously by voice vote, the regular meeting was adjourned at 4:35PM.

John J. Tallarico, Jr., Secretary